



*Student
Financial
Assistance*



United States Department of Education Student Financial Assistance

Common Origination and Disbursement

Preferred Solution Selection

Task Order # 19

Deliverable # 19.1.3

January 10, 2001



- **Overview**
- **COD Options and Vendor Analysis**
- **Next Steps**
- **Appendices**
 - I - Detailed Preferred Solution Selection Process
 - II - Sample Customer Reference Survey
 - III - Sample Past Performance Survey

Objective



The purpose of this deliverable is to propose a solution for the Common Origination and Disbursement process. This solution is based on the following input:

- Site Visits and Follow-Up Visits to several companies to identify their fit as a potential partner.
- Reference calls conducted with customers identified by potential partners to gauge customer satisfaction.
- Past performance evaluations completed by SFA personnel regarding the quality of work and level of satisfaction with potential partners (where applicable).

Assessment of the preferred solution began in June 2000. It was a lengthy process that involved the collection and analysis of detailed information on all the potential partners.

Recommended COD Solution - Total System and AFSA



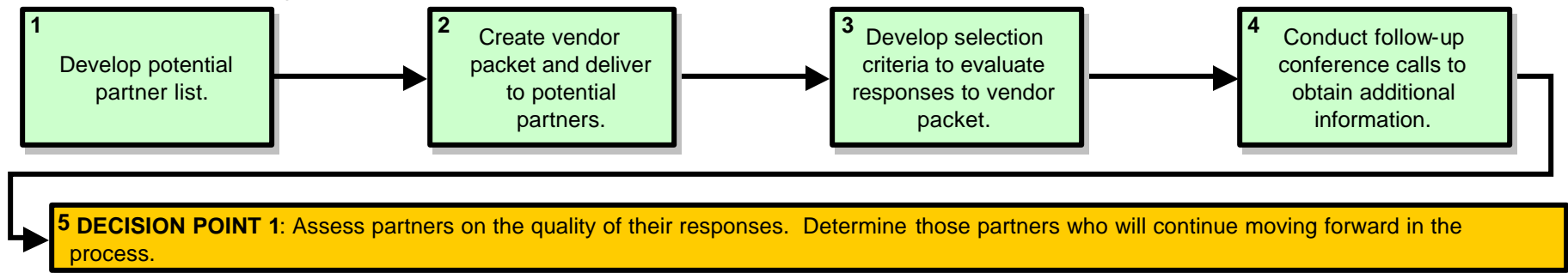
COD Roles	Benefits/ Capabilities	Unique Risks
<p><i>Total System</i></p> <ul style="list-style-type: none">• Supply TS2 Technology Solution• Design and development of TS2 as platform for COD• Provide technical/help-desk support• Provide reporting capability <p><i>AFSA</i></p> <ul style="list-style-type: none">• Support design and development team with functional expertise• Provide functional/ help-desk support• Provide call center and school-facing operational support	<ul style="list-style-type: none">• Strong interfacing capability• Real-time transaction processing• Continuous, ongoing uptime• Strong technology base• Good synergistic fit between alliance partners• Innovative approach• Capacity to advance SFA beyond the core COD requirements• Ability to provide a complete package which includes creativity and partnering as well as high quality system implementation	<ul style="list-style-type: none">• Access to appropriate resources at project kick off• Significant change effort for SFA

Overview

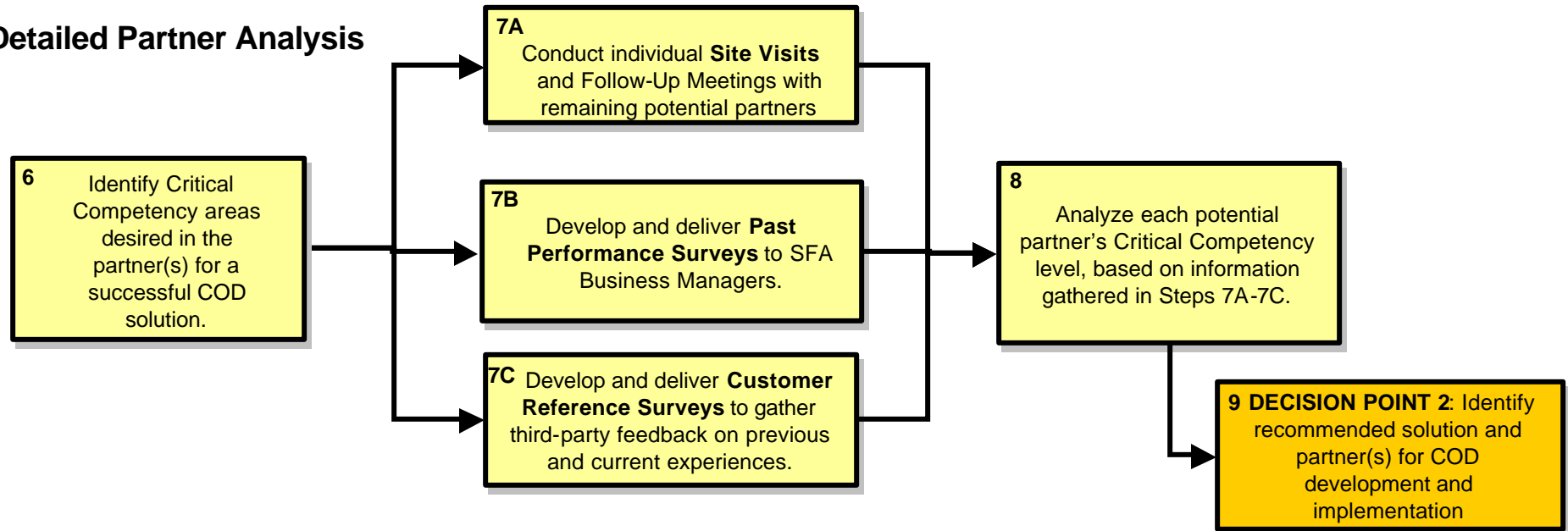
Preferred Solution Selection - High Level Process*



Initial Partner Analysis



Detailed Partner Analysis



* For detailed process steps, refer to Appendix I - Detailed Preferred Solution Selection Process.

Sources of Potential Partner Information



Source	Description
Vendor Packet	<i>Vendor packets were collected for each potential partner at the start of the evaluation process. The packets included contact information and the potential partner's responses to questions regarding critical requirements.</i>
Site Visits and Follow-Up Meetings	<i>An initial Site Visit was conducted with each of the remaining partner candidates. The agenda, focus and participants of each visit were customized to gather specific information from each candidate. Individual followup visits and conversations were conducted as the need was identified by Modernization Partner. All meetings focused on assessing each candidate's ability to support the COD vision.</i>
Customer Reference Surveys	<i>Customer Reference Surveys were developed to assess each potential partner's performance history with other organizations. The surveys focused on functional, technical and organizational capabilities, as well as customer satisfaction. Phone surveys were conducted with 2-3 references provided by each potential partner. A sample of the survey is included in Appendix II.</i>
Past Performance Surveys	<i>Past Performance Surveys were developed for potential candidates with previous or existing contracts with SFA. The surveys focused on functional, technical and organizational capabilities, as well as customer satisfaction. The survey was distributed to individuals at SFA who work(ed) closely with the potential partner. A sample of the survey is included in Appendix III.</i>

Critical Partner Competencies



The following are critical competencies used to evaluate potential partners in the Detailed Partner Analysis. These competencies contributed to the analysis performed on each potential partner.

Critical Competency	Description
Alliance Partner	<ul style="list-style-type: none">• <i>Potential partner's willingness to participate in a value-based or shared-in-savings deal</i>
Organizational Capability	<ul style="list-style-type: none">• <i>Ability to mobilize quickly</i>• <i>Willingness to bring 'A' team together (best people)</i>• <i>Customer service orientation</i>• <i>Bring best-in-business options</i>• <i>Product expertise availability (depth of organization)</i>
Technical Capability	<ul style="list-style-type: none">• <i>Flexible, scalable technology (architecture platform)</i>• <i>Technically capable of processing TIV programs</i>• <i>Amount of time to modify system meets expectations (core processes)</i>• <i>Platform capable of supporting integrated customer service</i>
Functional Capability	<ul style="list-style-type: none">• <i>Thought leadership in Higher Education community</i>• <i>Proven experience in high volume, diversified records processing</i>• <i>Proven experience in processing financial transactions</i>• <i>Ability to process records real-time</i>• <i>Access to real-time operational data</i>

Partnering Qualities



In addition to functional, technical and core value capabilities, each potential partner was evaluated based on the following partnering qualities.

Partnering Quality	Description
Team Player	<ul style="list-style-type: none">• Collaborative approach• Commitment to long-term relationship• Empowered to take action and make swift decisions• Confidence in, and accountability for, measurable results and performance• Share in taking calculated risks to further progress over time• Willing to make short-term investment for long-term benefit
Industry Acumen	<ul style="list-style-type: none">• Bring the best in functional and technical knowledge and support• Committed to Higher Education
Thought Leadership	<ul style="list-style-type: none">• Demonstrate nimbleness in thought and structure• Provide high quality service• Provide strategic guidance



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COD Options and Vendor Analysis

Status by Potential Partner



Potential Partner	Packet Received	Initial Eval. Completed	Conference Call Complete	Site Visit Conducted	References	Past Performance
ACS	July 12, 2000	July 19, 2000	July 27, 2000	Aug. 24, 2000	Oct. 2-4, 2000	Oct. 10, 2000
AFSA	Aug. 9, 2000	Aug. 23, 2000	N/A ¹	Aug. 31, 2000	Oct. 20-26, 2000	Oct. 10, 2000
EDS	July 12, 2000	July 19, 2000	July 20, 2000	Aug. 28, 2000	Sept. 27-29, 2000	Oct. 10-23, 2000
TGSLC	July 13, 2000	July 19, 2000	July 24, 2000			
Total System	July 12, 2000	July 19, 2000	July 24, 2000	Aug. 29, 2000	Sept. 28-Oct. 10, 2000	Oct. 11-23, 2000
USA Group	July 11, 2000	July 19, 2000	July 20, 2000			

1 – Due to last minute changes in scheduling, the questions prepared for the conference call were covered in AFSA's site visit.



Detailed Partner Analysis - Results and Observations

Following the Detailed Partner Analysis, three potential partners were identified as viable candidates to provide COD solution.

- Total System
- AFSA
- EDS
 - EDS/LO - incumbent contractor administering the current Direct Loan Origination System (DLOS)
 - Corporate EDS – utilizing entire enterprise resources from EDS

As a result of detailed analysis, the following observations were made:

- No potential partner supplied the complete range of capabilities which would contribute to completing the COD solution.
- No potential partner completely covered SFA's strategic objectives. Modernization Partner then explored potential alliances between partners to complement key strengths and mitigate risks.

As a result, Modernization Partner identified Total System and AFSA as alliance partners to jointly develop the COD solution.



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Next Steps

Next Steps



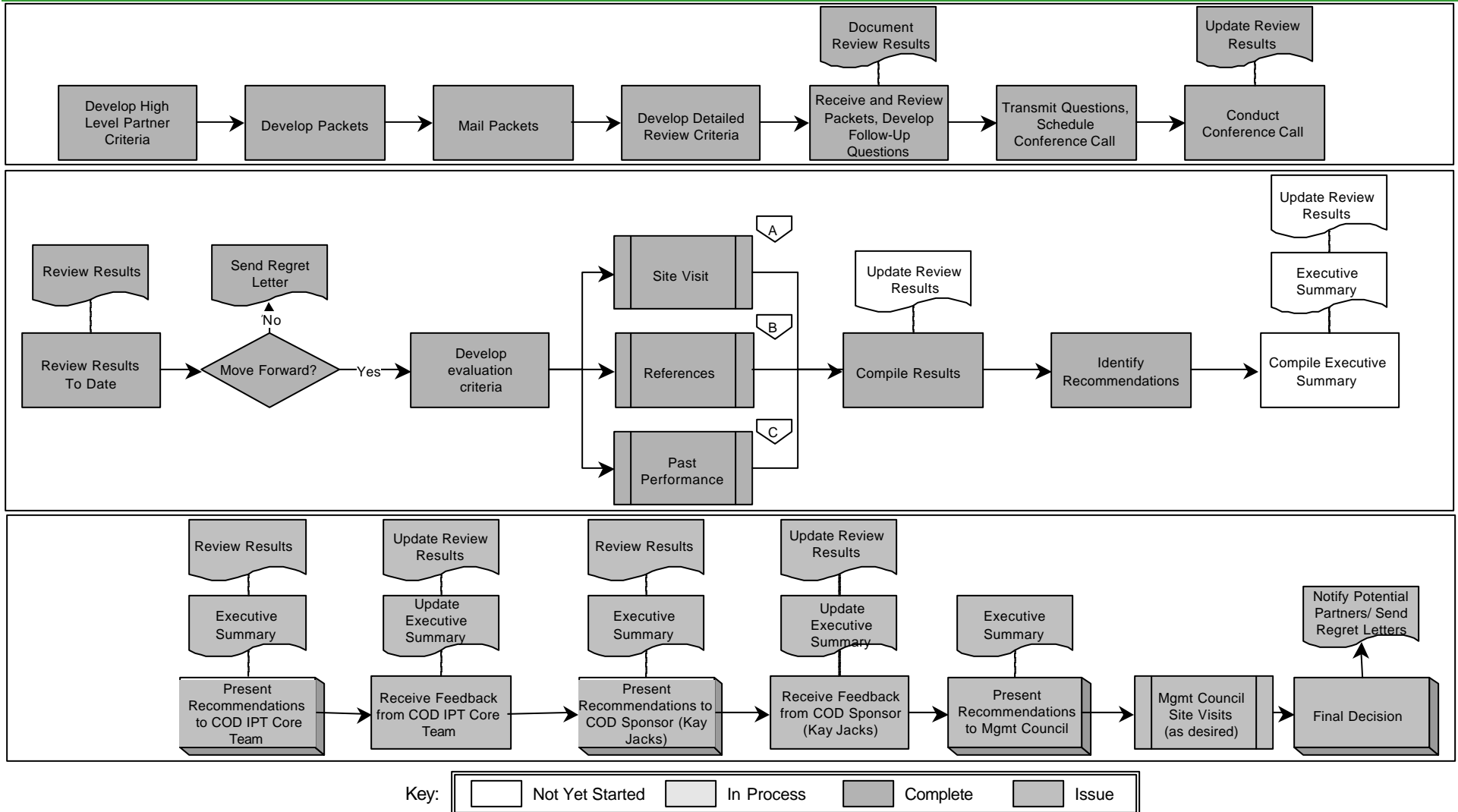
- Integrate partners into COD team through orientation and working sessions.
- Continue development of deliverables 19.1.7 - Implementation Plan and 19.1.9 - Business Case with input from COD partners.
- Work with COD partners to further define and develop a Shared-in-Savings arrangement.



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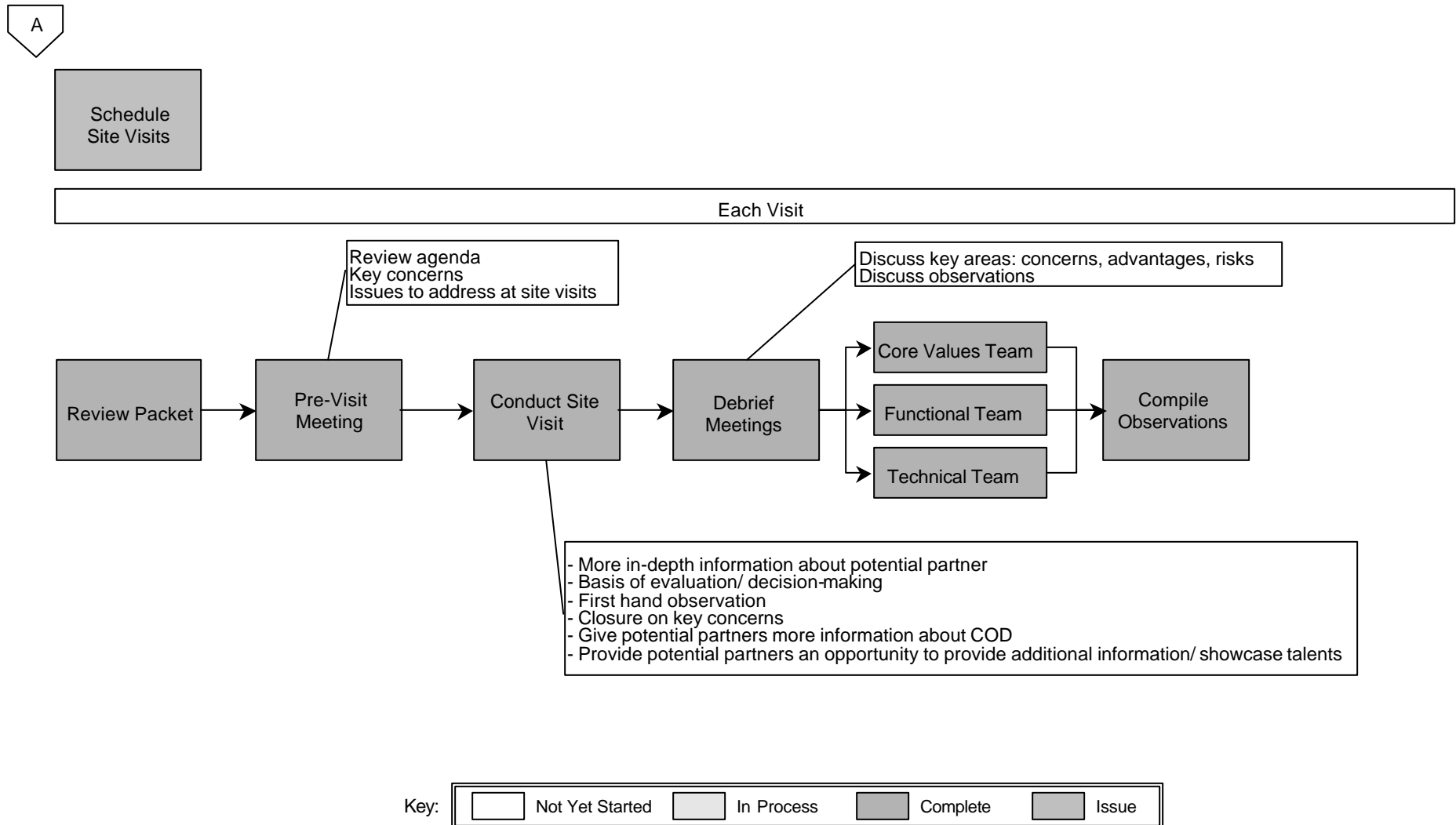
Appendix I

Detailed Preferred Solution Selection Process - Overview





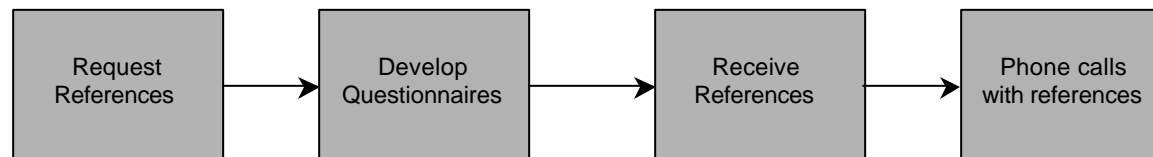
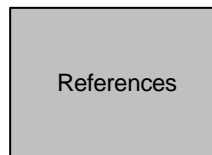
Detailed Preferred Solution Selection Process - Schedule Site Visits



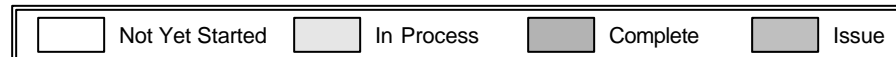
Detailed Preferred Solution Selection Process - References



B



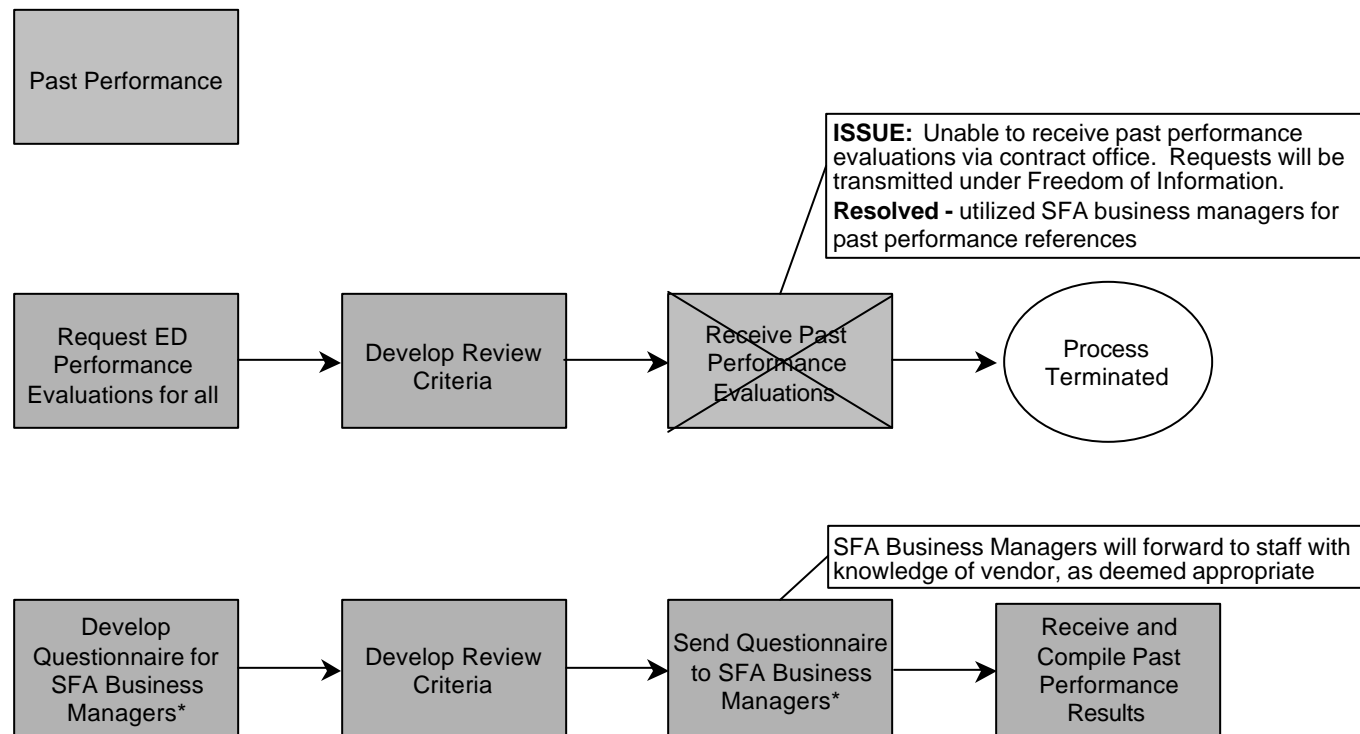
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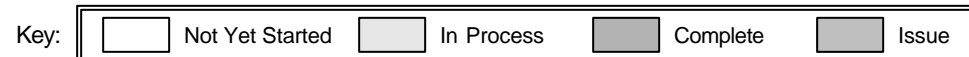


Detailed Preferred Solution Selection - Past Performance

C



* Business managers for current contracts with the potential partners



Sample Customer Reference Survey - Page 1



Customer Reference Survey

We are currently considering <INSERT ORGANIZATION> as a potential partner to help us develop and implement a new system and process. As part of our evaluation process we would like to get your feedback concerning your experience as a customer of <INSERT ORGANIZATION>. Please review the questions below and answer in the space provided.

Respondent's Full Name: _____

Respondent's Job Title: _____

Company: _____

- Are you currently working with this vendor on a project or contract basis? _____
- Have you worked with the vendor on a project or contract basis within the past 5 years? _____
- Do you competitively rank all of your suppliers vendors that are currently providing you with products or services? _____

If so, how does this vendor rank with other vendors **of comparable importance**?

- { } Better
- { } Same
- { } Worse

Comments:

- What was the project that the vendor performed on? _____
What phase was the project in? _____
- How many people were assigned to the project from the vendor organization? _____
- Was the project adequately and appropriately staffed? _____
- What was the duration of the project? _____



Sample Customer Reference Survey - Page 2

- How long have you been in a relationship with this vendor? _____
- With what part of the vendor organization did you work?

- How would you rate the vendor's cooperation in resolving issues?
 - ☐ Extremely cooperative
 - ☐ Satisfactorily cooperative
 - ☐ Minimally cooperative
 - ☐ Never cooperative

Comments:

- How would you rate the vendor's **effectiveness** in resolving issues?
 - ☐ Extremely effective
 - ☐ Somewhat effective
 - ☐ Minimally effective
 - ☐ Not effective

Comments:

- How would you rate the vendor's timeliness?
 - ☐ Extremely timely
 - ☐ Satisfactorily timely
 - ☐ Minimally timely
 - ☐ Never timely

Comments:

- How satisfied were you with the quality of the resources assigned to the effort (i.e., personnel)?
 - ☐ Extremely satisfied
 - ☐ Satisfactorily satisfied
 - ☐ Minimally satisfied
 - ☐ Rarely satisfied



Sample Customer Reference Survey - Page 3

- Did the vendor achieve results that (check all that apply):

☐ Met expectations

☐ Were on time

☐ Were in budget

Comments:

- Did the vendor set expectations? _____
- What were the vendor's strong points, or what did you like best in working with the vendor?
- What were the vendor's weak points, or what did you like least in working with the vendor?
- Would you award a future contract of a similar nature to this vendor? _____
- Would you award a future contract of a different nature to the vendor? Why or why not? _____

Additional Comments:

Sample Past Performance Survey - Page 1



Past Performance Survey

We are currently considering <INSERT ORGANIZATION> as a potential partner to help us develop and implement a new system and process. As part of our evaluation process we would like to get your feedback concerning your experience as a customer of <INSERT ORGANIZATION>. Please review the questions below and answer in the space provided.

Respondent's Full Name: _____

Respondent's Job Title: _____

- What was the project that the vendor performed on? _____
- What phase was the project in? _____
- How many people were assigned to the project from the vendor organization? _____
- Was the project adequately and appropriately staffed? _____
- What was the duration of the project? _____
- How long have you been in a relationship with this vendor? _____
- With what part of the vendor organization did you work? _____



Sample Past Performance Survey - Page 2

- How would you rate the vendor's cooperation in resolving issues?

- ☐ Extremely cooperative
- ☐ Satisfactorily cooperative
- ☐ Minimally cooperative
- ☐ Never cooperative

Comments:

- How would you rate the vendor's **effectiveness** in resolving issues?

- ☐ Extremely effective
- ☐ Somewhat effective
- ☐ Minimally effective
- ☐ Not effective

Comments:

- How would you rate the vendor's timeliness?

- ☐ Extremely timely
- ☐ Satisfactorily timely
- ☐ Minimally timely
- ☐ Never timely

Comments:

Sample Past Performance Survey - Page 3



- How satisfied were you with the quality of the resources assigned to the effort (i.e., personnel)?
 - ☐ Extremely satisfied
 - ☐ Satisfactorily satisfied
 - ☐ Minimally satisfied
 - ☐ Rarely satisfied

Comments:

- Did the vendor achieve results that (check all that apply):
 - ☐ Met expectations
 - ☐ Were on time
 - ☐ Were in budget

Comments:

- Did the vendor set expectations? _____
- What were the vendor's strong points, or what did you like best in working with the vendor?
- What were the vendor's weak points, or what did you like least in working with the vendor?
- Would you award a future contract of a similar nature to this vendor?
- Would you award a future contract of a different nature to the vendor? Why or why not?

Additional Comments: